

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6040

BILL NUMBER: SB 158

NOTE PREPARED: Nov 10, 2005

BILL AMENDED:

SUBJECT: Fire Investigator Salary Matrix.

FIRST AUTHOR: Sen. Simpson

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill requires the Executive Director of the Department of Homeland Security to categorize the salaries of arson investigators based on years of service and rank. It requires that the investigators initially receive the same salaries as police employees of the State Police Department with the same years of service and rank.

Effective Date: July 1, 2006.

Explanation of State Expenditures: As of October 4, 2005, the Department of Homeland Security maintained a staff of nine arson investigators plus a chief investigator. (The chief investigator was not included in the calculations below.) The salaries and tenures of the investigators relative to the Indiana State Police Salary Matrix (as of July 2005) are listed in the table below.

Arson Investigators' Salaries and Tenures Relative to the Indiana State Police Salary Matrix as of 2005				
Years of Service	Annual Compensation for State Police Officer	Number of Arson Investigators with Comparable Years of Service	Arson Investigator Salary	Annual Salary Difference*
1	\$32,760	1	\$31,395	\$1,365
2	\$34,996	1	\$31,395	\$3,601
3	\$37,310	0		
4	\$39,832	0		
5	\$42,458	1	\$31,746	\$10,712
6	\$43,082	0		
7	\$43,810	1	\$33,247	\$10,563
8	\$44,538	0		
9	\$45,266	0		
10	\$45,994	0		
10+	\$45,994	1	\$40,111	\$5,883
	\$45,994	1	\$39,175	\$6,819
	\$45,994	1	\$26,523	\$9,471
	\$45,994	1	\$44,791	\$1,203
	\$45,994	1	\$33,813	\$12,181
Total				\$61,798
Additional Benefits (Life, Soc Sec, PERF, Disability)			17.19%	\$72,421
*Figures above assume that the arson investigator salary increase will be a base salary that applies January 1 of the year. Estimates also assume that salary level corresponds with the number of full years of service. Years of service are based on the anniversary from the date of hire or rehire.				

The impact using current salaries is estimated at \$72,421. Applying a 2% annual increase, the total estimated impact for the first year would equal \$73,869 with an estimated \$75,347 for the second. The bill has an effective date of July 1, 2006, which would result in a salary increase at the beginning of FY 2007.

The Department of Homeland Security is funded from revenues generated by fire insurance premiums, plan examinations, state seals for manufactured housing, entertainment permits, explosive magazine fees, fireworks-wholesalers, stands and displays, day care ministries, elevator and lifting device inspection fees, boiler and pressure vessel inspection fees, amusement ride inspection fees, underground storage tank fees, and federal funds.

Explanation of State Revenues: The state will experience a minimal increase in the state income tax collections of approximately \$2,511 (.034*\$73,869) for the first year and \$2,561 (.034*\$75,347) for the second. Individual Adjusted Gross Income Tax revenue is deposited in the General Fund and the Property Tax Replacement Fund.

Explanation of Local Expenditures:

Explanation of Local Revenues: Local units will experience a minimal increase in the local option income tax collections.

State Agencies Affected: Department of Homeland Security.

Local Agencies Affected: Units within a county that has adopted local option income taxes.

Information Sources: Department of Homeland Security, 232-6435; 2005 State Police Salary Matrix and the 2005 State Personnel Staffing Report.

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